

Senate File 2178 - Introduced

SENATE FILE 2178

BY GARRETT

A BILL FOR

1 An Act relating to reemployment rights of special service
2 members receiving a disability retirement allowance under
3 the Iowa public employees retirement system.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 97B.50A, subsection 7, Code 2020, is
2 amended to read as follows:

3 7. *Reemployment.*

4 a. If a member receiving a disability retirement allowance
5 is returned to covered employment that is not special service
6 employment, the member's disability retirement allowance shall
7 not cease, the member shall again become an active member,
8 and shall contribute thereafter at the same rate payable
9 by similarly classified members. If a member receiving a
10 disability retirement allowance returns to special service
11 employment, then the period of time the member received a
12 disability retirement allowance shall constitute eligible
13 service as defined in [section 97B.49B, subsection 1](#), or
14 [section 97B.49C, subsection 1](#), as applicable. Upon subsequent
15 retirement, the member's retirement allowance shall be
16 calculated as provided in [section 97B.48A](#).

17 b. (1) If a member receiving a disability retirement
18 allowance is engaged in a gainful occupation ~~that is not~~
19 ~~covered employment~~, the member's disability retirement
20 allowance shall be reduced, if applicable, as provided in this
21 paragraph. For purposes of this paragraph, "gainful occupation"
22 means employment that is not covered employment or covered
23 employment that is not special service employment.

24 (2) If the member is engaged in a gainful occupation
25 paying more than the difference between the member's net
26 disability retirement allowance and one and one-half times
27 the reemployment comparison amount for that member, then the
28 amount of the member's disability retirement allowance shall
29 be reduced to an amount such that the member's net disability
30 retirement allowance plus the amount earned by the member shall
31 equal one and one-half times the reemployment comparison amount
32 for that member.

33 (3) The member shall submit sufficient documentation to
34 the system to permit the system to determine the member's net
35 disability retirement allowance and earnings from a gainful

1 ~~occupation that is not covered employment~~ for the applicable
2 year.

3 (4) This paragraph does not apply to a member who is
4 at least fifty-five years of age and would have completed
5 a sufficient number of years of service if the member had
6 remained in active special service employment. For purposes
7 of this subparagraph, a sufficient number of years of service
8 shall be the applicable years of service for a special service
9 member as described in [section 97B.49B](#) or twenty-two for a
10 special service member as described in [section 97B.49C](#).

11

EXPLANATION

12 The inclusion of this explanation does not constitute agreement with
13 the explanation's substance by the members of the general assembly.

14 This bill concerns reemployment rights of a special service
15 member under the Iowa public employees' retirement system
16 (IPERS) receiving a disability retirement allowance.

17 Under current law, if a special service member receiving
18 a disability retirement allowance under IPERS is returned to
19 any covered employment under IPERS, the member's disability
20 retirement allowance shall cease. The bill provides that
21 if the member returns to covered employment that is not
22 special service employment, the member's disability retirement
23 allowance shall not cease. Current provisions reducing a
24 member's disability retirement allowance based on earnings
25 of the member in a gainful occupation are made applicable to
26 a return to covered employment that is not special service
27 employment under IPERS.